

HOUSE BILL 1480

By Hulsey

AN ACT to amend Tennessee Code Annotated, Title 8;
Title 9; Title 45; Title 47; Title 48 and Title 67,
relative to depositories.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 45, Chapter 2, is amended by adding the following as a new part:

45-2-2201. Short title.

This part is known and may be cited as the "Tennessee Bullion Depository Act."

45-2-2202. Part definitions.

As used in this part:

(1) "Bullion" means precious metals that are formed into uniform shapes and quantities such as ingots, bars, or plates, with uniform content and purity, as are suitable for or customarily used in the purchase, sale, storage, transfer, and delivery of bulk or wholesale transactions in precious metals;

(2) "Depository" means a depository institution as defined in § 45-1-103;

(3) "Precious metal" means a metal, including gold, silver, platinum, palladium, and rhodium, that:

(A) Bears a high value-to-weight ratio relative to common industrial metals; and

(B) Is customarily formed into bullion or specie; and

(4) "Specie" means a precious metal stamped into coins of uniform shape, size, design, content, and purity, suitable for or customarily used as

currency, as a medium of exchange, or as the medium for purchase, sale, storage, transfer, or delivery of precious metals in retail or wholesale transactions.

45-2-2203. Tennessee bullion depository established.

A depository may:

- (1) Operate exclusively or nonexclusively as a precious metals depository and may be held and operated privately;
- (2) Serve as the custodian, guardian, and administrator of certain bullion and specie that may be deposited with the depository by this state, a political subdivision, or another instrumentality of this state, or by a private individual, party, or other entity; and
- (3) Engage in other transactions and investments as authorized by rules adopted pursuant to § 45-2-2205 and consistent with federal law.

45-2-2204. Annual report.

(a) Following the close of each state fiscal year, each depository serving as a depository for precious metals shall report to the commissioner of financial institutions an annual report of its activities for the preceding year. The annual reports and all books of accounts and financial records of the depository are subject to annual audit by the comptroller of the treasury. The cost of the annual audit must be paid for by the depository.

(b) Not later than January 31 of 2024, and each year thereafter, the commissioner of financial institutions shall aggregate the information acquired under subsection (a) and:

- (1) Submit a report to the governor, the speaker of the senate, the speaker of the house of representatives, and the legislative librarian; and

(2) Make the report available to the general assembly.

45-2-2205. Rules.

The commissioner of financial institutions shall promulgate rules to effectuate this part. The rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 2. The headings in this act are for reference purposes only and do not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the headings in any compilation or publication containing this act.

SECTION 3. This act takes effect July 1, 2023, the public welfare requiring it.